Better Patient Safety Strategy 2020-2024

We are committed to improve public health sector outcomes through building on our refreshed Better Patient Safety Strategy.

Our team has refreshed the Better Patient Safety Strategy with the aim of reducing the risk of patient harm, and the likelihood and impact of medical indemnity claims.

The strategy takes an evidence-based approach to managing risk in the clinical environment and at the board table. It builds on lessons learned from earlier frontline interventions, the expertise of practitioners in health systems here and overseas, and insights from our data.

Our claims data shows that the greatest risk to a patient's safety is in obstetrics, general surgery and emergency departments. Many incidents and sentinel events don't get reported or are reported too late for effective action. This means that many people may not be getting the care and support they need after they suffer harm in a Victorian public hospital.

So, with this refreshed strategy, we'll use our resources, influence and perspective as the State's insurer and risk adviser to inspire positive change in public health services, and a better experience for the community who use those services.

We'll invest in initiatives that have been shown to improve patient safety, and we'll collaborate closely with our system owners and health services and encourage them to make these interventions business as usual in the delivery of care and part of a mature culture of risk management.

Through this approach we'll work towards achieving a reduction in the number and cost of medical indemnity claims, stronger partnerships with stakeholders and improved maturity of medical indemnity risk management.

We look forward to working with you to deliver real change in Victorian hospitals and the wider health system – ultimately, for the benefit of all Victorians.

Andrew Davies
Chief Executive Officer

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We will contribute to outstanding healthcare for all Victorians by working with our partners to reduce the risk of harm to patients and the Victorian community. In particular we will focus on reducing medical indemnity claims and the impact these have on patients, health care agencies and our own organisation.

We will know that we have achieved these objectives because ...

- We target interventions more accurately.
- We intervene earlier and with more precisely targeted support to help people to recover after any adverse events that could lead to claims.
- Medical indemnity risks in health services are managed efficiently, effectively and sustainably.
- Our medical indemnity program is sustainable.
- The risk management practices of health services are more mature than they are today.
- System-wide policy and practice in health services demonstrably reduce the incidence of patient harm and the cost and frequency of medical indemnity claims.
- We will be recognised globally as a leader in medical indemnity claims prevention through our collaborative initiatives.

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How will we do it?

Frontline interventions

- With our system partners and health services, we will invest in initiatives that have been shown to improve patient safety.
- We will work with health services to make sure these interventions become business as usual in the delivery of care and part of a mature culture of risk management.

Information

- We will work with health services and other system partners to collect more data of better quality about adverse events that may lead to claims.
- We will analyse claims and other data so that we can understand the factors that lead to organisational risk and medical indemnity claims.
- We will continuously review our frontline interventions to learn what is effective.

Relationships

- We will advise and support health service boards and senior executives to understand their organisation's medical indemnity risks, implement effective patient safety systems and govern transparently and effectively.
- We will collaborate with senior executives and risk practitioners to improve the quality and timeliness of their reporting of adverse events that may lead to claims.
- We will be an advocate to our system partners for collective action on patient safety.
- We will work with health services to ensure serious adverse events, complaints and medical indemnity claims are investigated appropriately and managed effectively.
- We will share data and lessons learned with system partners and national and international stakeholders.

Thought leadership

- We will communicate and publish our insights into the factors that lead to organisational risk and medical indemnity claims, and how they can be addressed.
- We will build the appetite for changes in policies, practice, behaviour and culture that will reduce both the risk of harm to patients and the impact of adverse events on people and organisations.
- We will show health services the intrinsic benefits of becoming more mature when it comes to managing risk, so that change sticks even when incentives end.

Financial levers

- We will design financial incentives for health services so that they send a clear loss prevention signal and motivate health services to improve patient safety.

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How can we help Victorian health services reduce the risk of adverse events that lead to medical indemnity claims?

We know that well-designed clinical environments, knowledgeable staff and positive work-place cultures make a difference.

Hospitals and other health services are best placed to identify risks to patient safety and put in place effective interventions. But taking a step back to see the big picture when it comes to reducing risk or transferring it appropriately is more difficult.

So, how can we, over the coming four years, help our system partners improve patient safety in obstetrics, general surgery and emergency departments?

In our previous strategy, we showed that, by taking an evidence-based approach to managing risk in the clinical environment and at the board table, the risk of patient harm can be reduced.

To reduce claims, we need to reduce the risk of events that can harm people in our hospitals. PROMPT, an in-situ training package for obstetric emergencies, is designed to reduce risk in maternity units by improving the professional skills and knowledge of the staff who work in them.

In 2010, VMIA introduced PROMPT in stages to 22 maternity units across Victoria. After it proved successful it was rolled out to the remaining hospitals in the State. Evaluation of the program in 2017 showed strong statistical evidence that the overall rate of maternity claims between 2003 and 2017 had reduced by more than a third.

This evidence-based approach to effective intervention is part of our new strategy, together with incentives for health care services to implement well-supported interventions in their clinical environments.

In our Better Patient Safety Strategy 2020-2024 we set out how we will help our system partners.

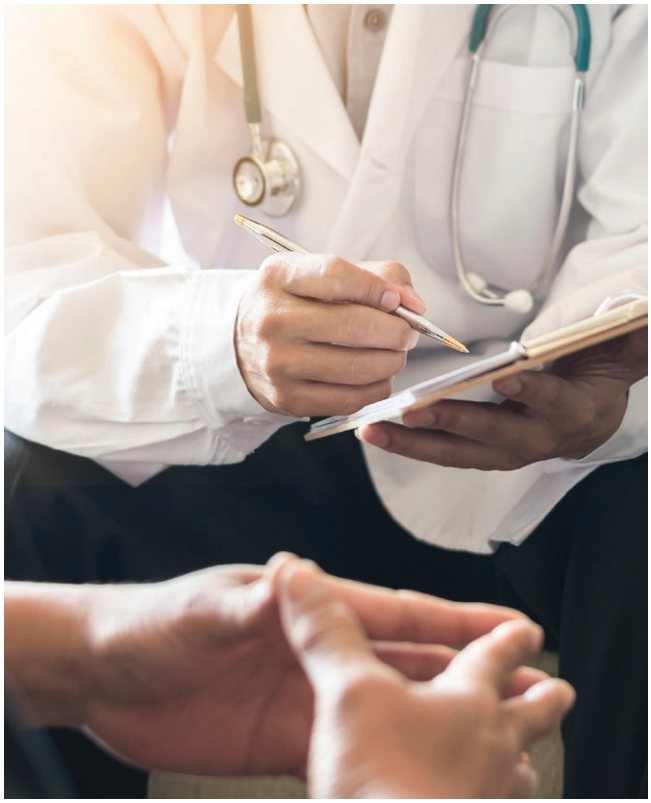
As the insurer, we will design our insurance products so that they send a strong financial signal to health services boards and senior executives.

As risk adviser, we will work with our system partners to put in place effective initiatives, share data, improve reporting of adverse events, and build risk maturity.

And, as a thought leader, we will use our specialist skills and knowledge to develop insights into the factors lead to risk and medical indemnity claims.

VMIA hosts and participates in forums and workshops with clinicians and administrators to discuss risk insights and emerging risks in emergency departments and maternity units, these include its think tank on misdiagnosis in emergency settings in July 2019, and the Global Medical Indemnity Forum in December 2018. Through programs like PROMPT we also create and analyse data to produce actionable insights for the Victorian health sector.

Improving patient safety shows in a very human way that effective risk management is not just an administrative exercise.



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Our new strategy proposes a whole-of-system approach to improving health outcomes, by addressing the systemic drivers of harm and considering all influences on patient health.

Adverse events in healthcare

Internationally, around 10% of hospital inpatients are affected by one or more adverse events, which cause harm while the patient is receiving care. Around 50% of adverse events are considered preventable and a small proportion is fatal.[1]

> Many adverse events can be systematically prevented through better policy and practice

Only a small proportion of adverse events leads to medical indemnity claims, which means that patients and health care organisations are bearing the financial and other cost of these events themselves.

For patients, this means their capacity to participate fully in social, cultural and economic life is reduced as their health and finances suffer. And, this cost is not only carried by them, it is also distributed to other agencies in the public sector or to organisations in the wider economy, such as their employer.

For hospitals, the cost of failing to prevent harm means that money is not available for direct health care or other services.

This money is not small change. In OECD countries, for example, it has been estimated that 15% of total hospital activity and expenditure is a direct result of adverse events[2].

Research has produced similar findings for major Victorian public hospitals[3]. In 2006, research associated with the Quality in Australian Health Care Study indicated that the direct costs of adverse events to the Australian health care system alone could be in the order of $2 billion annually[4].

In short, many studies have shown that the cost of failing to prevent harm dwarfs the cost of preventing it in the first place.

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1. Schwendimann, R., Blatter, C., Dhaini, S. et al. The occurrence, types, consequences and preventability of in-hospital adverse events – a scoping review. *BMC Health Serv Res* 18, 521 (2018).
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3. Ehsani JP, Jackson T, Duckett SJ. The incidence and cost of adverse events in Victorian hospitals 2003–04. Med J Aust. 2006;184(11):551–5.
4. Runciman W and Moller J. Iatrogenic Injury in Australia. A Report prepared by the Australian Patient Safety Foundation for the National Health Priorities and Quality Branch of the Department of Health and Aged Care of the Commonwealth of Australia (2001). Quoted in Corbett, Angus — "Regulating Compensation for Injuries Associated with Medical Error" [2006] SydLawRw 14; (2006) 28(2) Sydney Law Review 259.

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The cost of insuring

Medical indemnity premiums contribute 48 per cent of our overall premium pool. Medical indemnity liabilities are our largest and most significant proportion of total outstanding claim liabilities.

Nationally, in 2012-13 the three most commonly reported clinical service contexts for medical indemnity claims were the emergency department, general surgery and obstetrics, which together accounted for 47% of the 734 new claims with a known clinical service context.

Top three risks

General surgery

Emergency medicine

Obstetrics

When we look at the clinicians most closely involved in alleged incidents, we see that their specialties are general surgery, emergency medicine and orthopaedic surgery.

VMIA's claims experience is consistent with national and international experience. The most significant claims we receive in terms of numbers or their overall cost are:

- claims for poor obstetric outcomes, which are of low frequency but often of very high financial impact, due to lifetime costs of care
- claims relating to failures in diagnosis, communication or escalation of care in emergency medicine
- claims relating to general surgery, general medicine and orthopaedic care.

The information gaps and lags

Health services report around 3,500 incidents to us each year. Around 500 of these are identified as potential medical indemnity claims. About 250 of these result in medical indemnity claims annually.

VMIA requires health services to report incidents as early as possible. However, most of the roughly 250 claims we receive each year were not reported to us at all as incidents.

When we look at the claims we receive and the data on reported adverse events we find a correlation of only 8%, which indicates that non-reporting is common.

In addition to non-reporting, our claims data reveals an average delay of three years between the date of an adverse event and the date we are notified.

Late and non-reporting both make it difficult to identify patterns in medical indemnity claims and work with health services on early intervention and support.

What we insure

We insure Victorian public health services and their employees, registered health practitioners treating public patients and students working under the supervision of registered health practitioners for the following types of medical indemnity claims:

Physical and mental injuries to patients arising from errors, or negligence of registered health practitioners, while providing healthcare services.

Injuries to patients arising from errors, or negligence of students, under the supervision of registered and experienced staff, while providing healthcare services.

Liabilities arising from the administration of healthcare or first-aid at the scene of a medical emergency, accident or disaster, as a good representative of the general public.

Legal costs and expenses for defence and settlement of claims.

Participation in clinical trials and health and medical research.

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Understanding the indicators of medical indemnity risk

The literature suggests that the following factors are likely to have a relationship with current or future medical indemnity claims:

- adverse event performance
- performance on key patient safety indicators
- distribution of patient complaints amongst clinicians
- previous claims experience
- organisational culture.

Research has confirmed that clinically-validated patient safety indicators are strongly associated with patient outcomes. In the United States of America and Canada, for example, research has correlated patient safety indicators and the incidence of malpractice claims.

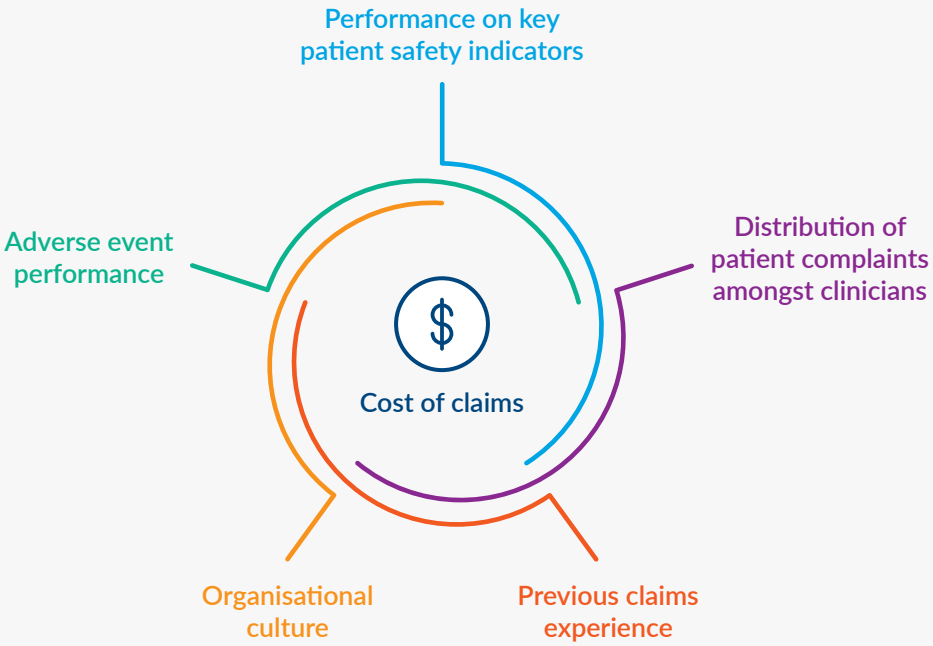
Internationally, studies have confirmed that the risk of recurrent medical indemnity claims increases with the number of previously paid claims[5], and that a small group of clinicians in each specialty incurs disproportionately large shares of paid claims, with variations across specialties[6].

In Australia, research has confirmed that patient complaints are highly skewed, with 3% of Australia's medical workforce accounting for 49% of complaints and 1% accounting for a quarter of complaints. In Australia, like other countries, gender factors, working long hours and working in high-intervention areas of medicine are associated with complaints and claims for compensation.[7]

In Victoria, a direct relationship between health care organisational culture and medical indemnity claims has been identified. A study in which VMIA collaborated with the former State Services Authority found that[8]:

- hospitals with more positive workplace cultures were less likely to have a medical indemnity claim
- for those hospitals with at least one claim, hospitals with more positive workplace cultures had fewer medical indemnity claims
- the average cost of claims was lower for hospitals with more positive workplace cultures.

The results of this study are in line with VMIA's anecdotal experience, which is that hospitals with a positive risk culture have been more likely to successfully implement frontline interventions, such as PROMPT or Incentivising Better Patient Safety.



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Understanding the barriers to intervention

Different health services in Victoria have significantly different medical indemnity claims experience, and so we will need to intervene in different ways.

Health services also need to understand patient safety indicators and the distribution of complaints and adverse events within their own clinical populations, so that whatever risk-mitigation measures they choose are effective.

However, we can identify broad types of interventions that are effective in reducing risk of patient harm.

Knowledge gaps, workforce gaps and financial barriers are all likely contributors to failures to incorporate known best practice into clinical systems.

Training staff and implementing well-designed clinical systems in which staff can work safely are the best ways to prevent adverse events. The need for a working environment in which mistakes are viewed as opportunities has been identified in the health care safety and quality literature for decades.

Investment in evidence-based patient safety initiatives is widely considered to be a cost-effective strategy, but there are known gaps in investment in all developed health care systems, the reasons for which are not well understood.

As well as this, understanding why some practice improvements are not implemented successfully in some health services will underpin improvement initiatives.

VMIA's approach to improving patient safety through the BPSS

As the state's risk adviser, VMIA supports health care organisations to manage risk by

- building risk management capability
- providing tools, templates and guides
- offering a risk maturity self-assessment service with RMA Online[9].
- facilitating workshops and regional forums for health services.

We have also developed a 'claims performance dashboard', which presents indicators of medical indemnity claims and benchmarks health services with their peers.

The primary aim of the dashboard is to support health service boards and senior executives to understand their organisation's relative performance and where they could intervene most appropriately. The dashboard includes metrics for claims and costs by activity level and five-year changes in activity levels (which are believed to influence risk exposure).

In 2014-15, we introduced a Risk Rated Premium (RRP) model so that boards and executives of health care organisations would have a price signal that reflected their medical indemnity risk and a financial incentive to continuously improve the delivery of healthcare services.

The RRP model uses the last ten years of claims information to calculate the 'experience' component of the premium allocation, with the claims experience representing 25% of a health service's final premium.

VMIA's three tools:

Risk management

– Building capability

– Developing guides and information products

– Facilitating risk management activities

Insurance

– Risk-rated premiums

Thought leadership

9. Accessible at https://www.vmia.vic.gov.au/tools-and-insights/tools-guides-and-kits/victorian-government-risk-management-framework

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VMIA has also invested in initiatives to improve patient safety. Having observed the proportion and nature of obstetric-related claims, we have invested more than $7 million in PRractical Obstetric Multi-Professional Training (PROMPT) and other support for the state-wide maternity service system since 2013.

We have also invested in mental health care, through the Safewards initiative, and in a number of innovative trials aimed at understanding behavioural drivers and context and applying findings to behaviour change strategies.

We have developed and consolidated our links with international medical indemnity organisations and we have hosted a number of events designed to ensure Victoria remains at the international forefront of 'thought leadership' in its approach to public sector medical indemnity.

Where to from here?

VMIA's new Better Patient Safety Strategy draws on lessons learned from earlier frontline interventions, insights from our data and research into organisational culture, and the expertise of practitioners in health systems here and overseas.

The part that culture plays in managing clinical risk is clear and we are exploring this further, so that we can identify interventions that may reduce medical indemnity claims.

We are also investigating best practice on reporting potential claims and looking at why reporting is delayed or absent in health services.

Developing our methodologies for analysing claims is critical and we continue with this work, while also working with our partners, Safer Care Victoria and the Victorian Agency for Health Information, to monitor more general data on adverse events.

There is more work to be done and we look forward to working with our partners to deliver real change in our hospitals and the wider health system.

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